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TO RUEHC/SECSTATE WASHDC 1871
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUCNMEM/EU MEMBER STATES COLLECTIVE
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SUBJECT: DEMARCHE DELIVERED TO GERMAN FOREIGN OFFICE ON NEW
BURMA SANCTIONS; NEW SANCTIONS UNLIKELY FROM EU

REF: SECSTATE 83719

Classified By: POLITICAL MINISTER COUNSELOR JEFFREY RATHKE FOR REASONS:
1.4 (B) AND (D)

11. (C) On 7 August 2008, POLOFF delivered reftel demarche to Alexander Fierley, desk officer responsible for Southeast Asia at the German Foreign Office. POLOFF explained the Tom Lantos Block Burmese Junta's Anti-Democratic Efforts (JADE) Act of 2008, and provided Fierley with a list of the 10 companies from reftel that are subject to financial sanctions. POLOFF emphasized that the JADE act would not affect humanitarian relief for the victims of Cyclone Nargis, but rather was intended to increase pressure and promote democratic reform within the Burmese Government and military junta.

12. (C) Fierley said it was a commonly held EU position that tightening existing sanctions or implementing new ones would have little or no impact on the military junta, and could be counterproductive in promoting democratic change and reform. Fierley elaborated that Germany, France, and Poland all strongly share this opinion, with Britain being the lone voice of dissent within the EU that still believes new, more restrictive sanctions were the best way to foster democratic reform. Although the German Government does not support lifting the existing sanctions, it also believes they have done little to encourage democratic change, and may have actually strengthened the military junta's stranglehold on power. Fierley said the EU believes additional sanctions would only further isolate Burma politically and economically, and push it closer to China and India. Fierley pointed out that Burma's trade with the EU, which accounts for only 2-3% of its total trade, provided the EU with very little economic leverage over the regime.

13. (C) The EU believes the best way to encourage democratic reform in Burma was through outreach programs designed to strengthen Burmese civil society and public institutions. Fierley was hopeful that these programs would result in free and fair multi-party elections in 2010. He acknowledged that the military should still play a role in Burmese society, and said that any regime changes must address its role and offer military leaders a "future" and integration into the political system. He concluded that the EU will continue to monitor the political situation in Burma and will readdress its sanctions if the political situation worsened, but was also prepared to offer political and economic incentives as it improved. Fierley added that the United States and EU

share the same common end goal for Burma, but simply have different approaches on how to best achieve the desired results.

TIMKEN JR